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Not All Wind Energy is the Best for Nebraska

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Not All Wind Energy is the Best for Nebraska

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On July 19 of this year, Lincoln Electric Systems announced a plan to increase the amount of electricity it sells from renewable energy sources. The increase will take LES from their current level of approximately 7% renewable energy to over 23% by January of 2016.

Their current production of renewable energy comes from a variety of sources including hydroelectric and wind. The new renewable electricity will come from a deal that LES has made with a 100-megawatt wind farm. With this wind farm will come many new jobs and a new source of taxable revenue for the state. Unfortunately this revenue and those jobs will be in the state of Oklahoma. LES should have adequately considered the importance of supporting Nebraska's economy while investing in a new wind generation facility.

Projects in Nebraska were also considered for the new expansion. However, Kevin Wailes, LES Administrator & CEO, stated that this project was chosen over Nebraska projects because of "highly competitive costs, strength of existing electric transmission connections, company experience, reputation and qualifications, and the project structure and timeline." Considerations to support the local economy were not included in this decision.

This new partnership may be a win for LES and the city of Lincoln because we get cheap and clean electricity. However, this was a missed opportunity for LES to make it a win for rural Nebraska as well. A

great amount of economic development comes with a new wind generation facility. According to a report from the National Renewable Energy Laboratory on the economic development from wind power in Nebraska, a 100-megawatt wind farm would create between 34 and 65 full time jobs in Nebraska. These positions are all well-paying jobs and could have a huge impact on many small Nebraska towns. The report's research also showed that over a 20 year period, total property tax payments for the wind farm would surpass \$7,000,000. This is money that would all go to local governments and help to provide an improved quality of life for our citizens. This is too much money and too many jobs to be sending out of Nebraska.

The new plan states that LES chose a new facility, named the Arbuckle Mountain Wind Farm. The new wind farm will be located in south-central Oklahoma, and is owned by a Houston, Texas based company named EDP Renewables North America.

Lincoln Electric Systems has been slow to start incorporating renewable energy. This is because LES is a nonprofit, customer-owned utility with a goal of providing "reliable electric supply at the lowest possible cost". When cost is taken into account fossil fuels have traditionally been the cheapest. Another reason LES is having trouble transitioning to renewable resources is because public utilities do not qualify for federal tax credits that private utilities qualify for. This is because LES has no taxable income. To work around this, LES has partnered with private wind facilities to purchase renewable energy.

Currently LES is in partnership with 4 Nebraska wind farms that provide LES a total of 29-megawatts of electricity. The first of these farms came online in 2009. Three of these four Nebraska wind farms have almost the same generating capabilities that the new Arbuckle Wind Farm will have, proving that Nebraska wind farms can compete with the new Oklahoma project.

Next time Lincoln Electric Systems has an opportunity to make a difference of this magnitude, growing our economy and improving the lives of Nebraskans, hopefully they choose to support Nebraska and its residents before they support the residents of other states.